

it says premiums will go up for people who choose to buy their own insurance. So whether you get insurance through your employer or whether you buy it on your own, your premiums go up. The Joint Committee on Taxation, another nonpartisan group, also looked at the legislation. It says that a proposed excise tax on insurers would also drive up the cost of employer-provided insurance. Here are two independent, nonpartisan groups looking at the health care legislation we have seen. They both conclude it will drive up the cost of health care.

Americans thought reform was supposed to lower costs, not raise them. Yet every day it seems we see further confirmation that the plans under discussion would lead to higher costs and more long-term spending and debt.

One study we have seen says the Democrats' tax on insurance plans would cost families nearly \$500 per year in higher premiums starting next year, long before any of the proposed benefits would kick in. Another study says that a family of four in my home State of Kentucky would see their premiums go up from about \$350 a month to nearly \$800 a month—a big increase. Even if these families were eligible for the subsidies in the Democratic bill, their premiums could still be about 50 percent higher than they are now. This is mind-boggling. Only in Washington would lawmakers propose a health care reform that actually raises costs and do so in the very same month the Federal Government recorded its largest deficit in history and at a time when unemployment approaches 10 percent.

Americans thought the whole point of reform was to lower costs. Yet the plans we have seen would do just the opposite, and the American people are taking notice. Americans are asking us to follow through on the initial pledge to lower health care costs, but that means enacting reforms that would actually lead to lower costs, such as getting rid of junk lawsuits and incentivizing healthy choices. Americans want reform. Instead, the administration and its allies in the Senate are giving them higher premiums, higher taxes, and massive cuts to Medicare. Mr. President, that is not reform. I yield the floor.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period of morning business for 1 hour, with Senators permitted to speak therein for up to 10 minutes each, with the time equally divided and controlled between the two leaders or their designees, with the Republicans controlling the first half and the majority controlling the second half.

The Senator from Iowa is recognized.

HEALTH CARE REFORM

Mr. GRASSLEY. Mr. President, with the words "health care reform," everybody would expect costs to go down, premiums to level off, and more people being served. But it seems as though the proposals that are before the Senate are going to increase taxes, cut Medicare, and increase health insurance premiums. I think anybody hearing that would say that is not health care reform or at least not the health care reform they expected Congress to pass.

So we are here in the Congress, soon about to consider a single bill that will personally affect the lives of every single American. Not often do we pass a bill that affects the lives of every single American, and not often do we pass a bill that restructures 17 percent of the U.S. economy—maybe never before.

As one Washington Times editorial pointed out—and I am going to quote from it, and it is here for the audience to read:

[The U.S. health care system] is bigger than Great Britain's entire economy. Imagine five bickering Congressional committees trying to redesign the British economy successfully in just a few weeks. No wonder people are getting nervous.

It is true, people are getting nervous. As I travel around Iowa, I hear a lot of concern about out-of-control government spending and a massive government takeover of our health care system. People are worried that health care reform will result in lower quality, less access, and government bureaucrats deciding what health insurance they can or can't have. On top of all of that, Gallup released a poll last week saying 49 percent of Americans believe their personal costs will get worse—yes, worse—after health care reform is enacted. The poll also reported that only—and I emphasize "only"—22 percent actually think costs will go down. Less than one-quarter of the people polled actually thought health reform would accomplish its top priority: making health care more affordable.

I can't speak for my colleagues. I don't know what they are hearing from their constituents. But I know Iowans can't afford to pay more for health care. Costs are already rising three times faster than the rate of inflation. Costs are straining family budgets, and they are making it increasingly difficult for employers to offer health insurance.

The nonpartisan Congressional Budget Office, the Joint Committee on Taxation, and even the Office of the Actuary at the U.S. Department of Health and Human Services have told us what the American people already know: These massive partisan health care reform bills are going to make the problem worse.

Let me emphasize for the American people who might be listening that the

people at the Congressional Budget Office, the Joint Committee on Taxation, and the Office of Actuary at the Department of HHS are professional, not political. They don't change from time to time when the makeup of Congress changes. They are there over a long period of time studying things in an intellectually honest way to tell it like it is. This is what they are saying: These massive partisan health care reform bills are going to make the problem worse.

So I wish to go to some analyses we have already received from these nonpartisan, intellectually honest organizations.

According to a September 22 letter from CBO to Chairman BAUCUS about the Finance Committee bill:

Premiums in the new insurance exchanges would tend to be higher than the average premiums in the current-law individual market.

So according to CBO, after these bills spend \$1 trillion, many of the people struggling to afford their premiums today will actually end up seeing those premiums go up if this bill is enacted. The Congressional Budget Office also commented on how the tax increases would also raise premiums.

During the Finance Committee markup, Senator CORNYN asked this question:

Would the new fees on health insurers be passed down to health care consumers?

Dr. Elmendorf, Director of CBO, responded by saying:

Our judgment is that, [the new fees] would raise insurance premiums.

The Joint Committee on Taxation confirmed that they came to the same conclusion during the markup. Mr. Barthold, the director there, said:

Basic economics is that that fee will be reflected in higher premium costs.

Let's not forget that these new insurance fees begin next year, in the year 2010, 3 years before any of the reforms in the bill take effect. So it is irrefutable that premiums will go up for every single American starting next year as a result of a bill that came out of the Senate Finance Committee.

The Office of the Actuary with the U.S. Department of Health and Human Services—another nonpartisan, highly regarded set of expert analysts, by the way—has also looked at some of the Democratic health reform proposals.

In a memo released on October 21, the Department of Health and Human Services, Office of Actuary, provided an analysis of House bill H.R. 3200. In the memo, the Health and Human Services actuary writes that the House bill does bend the growth curve, meaning the inflationary increase in health care costs. Of course, a top priority for Congress and the White House was to bend that curve. Unfortunately, the chief actuary says the Democratic leadership and the White House have failed to tell the American public it bends the curve in the wrong direction—not downward but upward.

According to the HHS memo, health care spending would actually increase if the House bill became law. The actuary writes it this way:

In the aggregate, we estimate that for calendar years 2010 to 2019, national health expenditures would increase by \$750 billion, or 2.1 percent, over the updated baseline projection.

While some of the supporters of these partisan bills may not want to tell their constituents, we all know that as national spending on health care increases, American families will bear a burden through increased health insurance premiums.

Let me be very clear. As a result of the pending health care proposals, most Americans will pay higher premiums for health insurance.

Some of my colleagues will try to refute this claim by mentioning the taxpayer-funded subsidies included in these health care bills. It is interesting that they don't even try to deny, in the process of talking about taxpayer-funded subsidies, that premiums will still go up. They don't deny that. They just say the government—or let's say the taxpayers—are going to pick up the tab.

It is true the proposals we have seen so far include about \$½ trillion in cuts to Medicare and massive tax increases to pay for this new entitlement program. But once again, some of my colleagues fail to mention that most Americans would not qualify for these subsidies. Most Americans—about 160 million—get their health care through their employer.

But if you are one of those people who get their health care through an employer, you don't qualify for any subsidy until you spend 10 percent of your income on health care premiums.

The ACTING PRESIDENT pro tempore. The Senator has used 10 minutes.

Mr. GRASSLEY. I ask unanimous consent for an additional 7 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GRASSLEY. The other side plans to throw much of your hard-earned dollars at it to make premiums appear affordable. But even with their \$1 trillion in spending, the Congressional Budget Office has confirmed that in 2019 only about 7 percent of those insured will be getting government subsidies.

So even though there will be a huge new taxpayer-funded subsidy program to help pay for these premium increases, most people would not actually qualify for any of that help. They will just be stuck with higher taxes—yes, higher taxes—less choices—yes, less choices—and higher health insurance premiums.

Some people may wonder what parts of the bill are driving up these costs. We have already identified the new insurance fee.

One analyst of the Federal policy group concluded that the insurance fee alone could raise premiums up to \$500 per year per family. Then there are the new benefit requirements.

Under the proposals we have seen so far, the Federal Government is now defining what kind of insurance you can buy anywhere in the United States. This means it will be illegal for insurers to sell or for you to buy many of the policies people are currently enrolled in.

By law, it will be illegal to buy policies that don't meet an actuarial value of 65 percent and cover a long list of mandated benefits.

The consulting firm Oliver Wyman has said that since this new Federal minimum standard is higher than many of the policies sold today, new enrollees will have to pay about 10 percent more to meet the new government benefit standard.

This is just under the Finance Committee bill. That 10-percent increase in premiums would be much higher under any of the House bills and the Senate HELP Committee proposals.

Once again, the other side of the aisle will point to a grandfathering policy that, as the President has said, will let you keep what you have. But they fail to mention that this grandfathering policy doesn't count if you ever plan to move or, two, your insurer stops offering coverage or, three, you want to change your policy to add vision or dental coverage.

If you meet any one of those criteria, the promise that you will be able to keep what you have doesn't apply to you.

Another factor that will drive up premiums is the new age rating rules. These rules set limits on the amount premiums can vary between younger and older enrollees.

Some of the proposals being considered would tighten this variation so much it will drive up premiums by almost 70 percent for younger, healthier enrollees. So all those so-called young invincibles we need to get into the health insurance pool, all the recent college graduates, will be hit hardest by the increase in premiums because of the proposed market reforms.

Taking all these factors into account, Oliver Wyman actuaries also concluded that individuals would pay as much as 73 percent more as a result of the policies in the Finance Committee bill. Small businesses could face about a 20-percent increase, which will lead to about 2.5 million less people getting coverage through their small business.

We can certainly debate all these numbers. Some may question whether rates will increase by that much. I am sure some will question the sources of these studies, although I should note we didn't take these estimates at face value. In fact, ever since the Gang of 6 meetings, we have had some of the best independent actuaries and insurance experts analyzing this data.

But even the people who want to debate the sources do not deny the fact that health insurance premiums will go up as a result of the bills we are considering. I am beginning to understand

the game. I am actually beginning to wonder if the reason no one is denying it is because this is intentional.

If these bills drive up premiums in the private market, it is going to make it a lot easier to push for a government-run insurance program or a new entitlement program.

A Washington Post story over the weekend reinforced this concern:

[Senator] Reid's original inclination was to leave the public option out of the final bill . . . but his liberal colleagues began urging him two weeks ago to reconsider, after insurance industry forecasts that premiums would rise sharply under the Finance Committee bill.

Let's hope the Democratic leadership and the White House aren't willing to push a bill that forces 200 million people to pay higher premiums unless they enroll in a new government entitlement insurance program. But that is certainly what it sounds like.

Whatever the motive may be, the facts are undeniable. Health insurance premiums will increase for every individual and small business as early as next year as a result of the pending health bills. It will hit young, healthy people the hardest. It will cause small business to stop offering health insurance premiums. We have heard it from Joint Tax, we have heard it from CBO, and we have heard it from the Office of the Actuary within the U.S. Department of Health and Human Services.

I wish to make sure all the American people hear it.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Wyoming is recognized.

Mr. ENZI. Mr. President, this health plan being forced on America under phony, tight timelines bites off too much, fails to deliver on promises, and passes the costs on to hard-working Americans.

When the 85 percent of Americans who already have health insurance hear the term "health care reform," they expect Washington to do something that lowers the cost of their health insurance premiums. That reaction should not be surprising, since the President and congressional leaders have explicitly promised that reform would lower health care costs to the average American family.

Unfortunately, the bills Congress has developed will do the exact opposite. These bills will increase health care costs.

Several recent reports have highlighted what I and some of my colleagues have been saying for months. The combination of increased taxes, expensive mandates, and new regulations in these bills will actually increase the cost of health care for most Americans. Unemployment is higher than it has been in decades. The housing market is in distress. There is an out-of-control Federal debt and deficit. More and more middle-class Americans are feeling squeezed by irresponsible decisions being made here in Washington. Unfortunately, the health care

bill being put together by the majority leader behind closed doors—and not on the Web yet—is another example of irresponsible policies.

It is important for the American people to understand how these bills will actually increase their health care costs. I wish to highlight 10 specific ways these bills will increase premiums for Americans and individuals. Taken together, these provisions will increase costs, they will stifle competition, and they will take choices away from families, individual Americans, and small businesses.

Here are the top 10 ways the bills before Congress increase health care costs:

No. 1, the two committee bills rely on taxing the young to pay for the old is what the number crunchers call adjusted community rating. This means the premium charged to a healthy 22-year-old will have to increase to be much closer to the premiums charged to someone who is much older and sicker. This means young people will pay a lot more for health insurance premiums than they do today.

Over 40 percent of the uninsured are between the ages of 18 and 34, the same age group that will be hit the hardest, with the highest price increases, if this bill passes. Experts estimate that in most States, premiums for the youngest 30 percent of the population will increase by 69 percent under the tight age bands being considered in one of the Senate bills. These extreme price increases will force the young and healthy out of the market. Most young people will probably do the math and decide, let's see, I can pay the \$750-a-year tax penalty rather than pay \$5,000 a year more for health insurance. If they get sick later, they can enroll in health insurance later.

No. 2, premiums will increase because of the new federally mandated requirements on health plans. The bill will mandate that most health care plans have to meet new, higher specified actuarial values. If you don't know the term "actuarial value," you are not alone. Let me put this as simply as I can. Actuarial value is a technical term that describes the amount of total health care spending that is paid for by the health plan; in other words, all the benefits and enrollee cost-sharing provisions a health care plan covers. Typically, as actuarial values increase, premiums increase and the cost-sharing requirement decrease. If you are healthy, you cannot opt for lower premiums or for higher copays than your government will tell you or you will pay the penalty.

The bottom line is, experts estimate that 50 percent of the individual market policies purchased today and about 20 percent of the policies purchased by small businesses today have actuarial values that are lower than what the Democrats think you should have, which means millions of Americans will be forced to buy more expensive plans. Compliance with these benefit

requirements could cause premiums for the new purchasers to increase by about 10 percent for individuals and about 3 percent for small businesses. For small businesses, 3 percent is a high rate of profit.

No. 3, premiums will increase because of the new federally mandated benefit packages. All plans must include a long list of benefits regardless of what Americans need or want. Why should a 30-year-old single man be required to pay for ovarian cancer screening? Additionally, at least every year the Secretary of Health and Human Services will be required to define and update—perhaps increase—the categories of covered treatments, items, and services.

Not surprising, what this will mean is that the list of mandated benefits will inevitably get longer and further increase costs. If these bills are enacted, every disease advocacy group, drug manufacturer, and health care provider will hire more lobbyists to see that all health plans are required to cover their unique diseases, treatments, and procedures.

That is no way to run a health care program. I believe consumers rather than lobbyists should decide the benefits package that best meets their needs. Otherwise, there will be more mandates and higher costs.

If this bill becomes law, I would not be surprised if every plan in America is required to cover massages and acupuncture. I am not saying people should not get massages or acupuncture if they want to pay for them, but I don't think all Americans should be required to enroll in a plan that covers every single benefit.

No. 4, premiums will increase because of new excise taxes on medical devices and drugs. The official scorekeepers at the Congressional Budget Office and the Joint Committee on Taxation have been clear in stating that these taxes will be passed on to patients. That means consumers will see the prices of everything from power wheelchairs to pacemakers to prescription drugs, such as Prilosec, significantly increase. These price increases will also ultimately increase health insurance premiums for the millions of Americans who already have health insurance.

You don't use any of those? Remember, insurance is spreading the risks so you get to pay, too.

No. 5, premiums will increase because of the new excise tax on health insurance providers. The Congressional Budget Office and the Joint Committee on Taxation have said these taxes will be passed on to people in the form of higher premiums. This tax alone could raise premiums for a family by \$487 a year.

No. 6, premiums for health insurance will increase when 14 million more Americans are enrolled in the Medicaid Program. Several studies have highlighted how Medicaid's inadequate payments to doctors and hospitals directly increase costs to everybody else by

forcing these providers to make up for their losses under Medicaid by shifting those costs on to private purchasers.

The current health reform bills include the biggest expansions of the Medicaid Program since it was created in 1965, while doing nothing to address Medicaid's inadequate doctor and hospital payment rates. If someone cannot see a doctor, they do not have insurance. This will mean billions of dollars in additional costs would have to be shifted on to individuals who already have health insurance, thereby driving up their premiums. Nearly 40 percent of doctors will not see Medicaid patients because of the low reimbursement rates.

As I said, if someone does not see a doctor, they do not have health care.

No. 7, premiums will increase for so-called Cadillac plans because of the new 40-percent excise tax. Companies will respond to this new tax by shifting the costs on to individuals who are the insured or by reducing the value of the health care benefits they provide. Eventually, this tax will start hitting the Chevys and the Buicks, not just the Cadillacs.

Experts estimate that in many metropolitan areas the lowest option bronze plan—that is what we require—under the Finance Committee bill will be considered a so-called Cadillac plan as early as 2016. This does not even go into effect until 2013.

No. 8, premiums will increase because of the new fee to sell plans in the mandated exchanges. The Congressional Budget Office estimates plans would have to pay a surcharge to sell on the exchange, which would add about 3 percent to premiums.

No. 9, premiums will increase because of the new reinsurance program. This new program will cost Americans \$20 billion, and those costs will be passed on to someone, most like the healthy enrollees.

No. 10, premiums will increase because of the new tax for comparative effectiveness research. Washington bureaucrats will tax patients so the government can decide which treatments are acceptable and which treatments are denied. Rationing? We have seen this story before in other countries such as England. We know this will lead to the delay and denial of care for our seniors. It is no wonder that a recent Rasmussen poll noted that 59 percent of our Nation's seniors oppose the current legislation.

Taken together, the 10 policies I just described will cumulatively increase health insurance premiums for millions of Americans who currently have health insurance. It is another squeeze on our Nation's middle class.

In my home State of Wyoming, a healthy 35-year-old man can currently buy a high-deductible policy for about \$90 a month. The scorekeepers at the Congressional Budget Office estimate the silver plan under the Finance Committee bill will be \$392 a month.

The ACTING PRESIDENT pro tempore. The Senator has consumed 10 minutes.

Mr. ENZI. Mr. President, I ask for 5 additional minutes.

The ACTING PRESIDENT pro tempore. There is only 3 minutes on the Senator's time.

Mr. ENZI. I ask for 3 additional minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ENZI. The scorekeepers at the Congressional Budget Office estimate the silver plan under the Finance Committee bill will increase to \$392 a month. That is over a 300-percent increase. None of the folks I talked with from Wyoming can afford to pay 300 percent or more for their health insurance. In another economic time, this policy would be bad enough. In today's climate, it is irresponsible.

We all agree the health insurance market is broken and needs to be fixed. Everyone who wants health insurance should be able to get it, and they should not have to spend their hard-earned dollars to get it.

No American should be denied health insurance because they have cancer, diabetes, acne, or some other preexisting condition. No one should lose their health insurance because they forgot about an old injury when they filled out a form. No one should be denied health insurance, period.

These reforms are very important and long overdue. However, we can do better. These goals should be implemented in a way that drives down costs for the majority of Americans who already have health insurance. Congress needs to learn from the experiences of the States that have already enacted these types of reforms. The States did not pass reforms with the goal of increasing costs for a majority of their residents, but that is precisely what has happened over time.

We need to enact reforms that will actually reduce costs and make health insurance more affordable. That is what the American people want but, unfortunately, that is not what the current bills do.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Rhode Island.

Mr. REED. Mr. President, I wish to speak for up to 10 minutes in morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

UNEMPLOYMENT INSURANCE BENEFITS

Mr. REED. Mr. President, I again rise to urge my colleagues, particularly from the other side, to join us in passing an extension of unemployment insurance, to stop blocking a program that is so necessary to every person in this country, not just those who are losing jobs but those who are fearful their jobs might be taken away.

This is a national issue, an emergency. It requires attention and action now, not weeks from now. For the last several weeks, we have been trying to get an agreement to proceed. Last week, Leader REID justifiably filed the first of what could be three cloture motions that some on the other side would insist we must proceed through until we can enact this important effort and benefit for 15.1 million unemployed Americans.

Everyone in Congress, regardless of party affiliation, is concerned about jobs. There is no unemployment crisis just in red States or in blue States or in purple States or any color States. This is a nationwide problem. It requires a nationwide solution, and one of the first steps is simply extending unemployment benefits for the people who are running out of these benefits or who may, in fact, lose their employment and need these benefits.

We have to create jobs. That is the ultimate solution to the current economic crisis. We must have a sustainable and robust recovery. We are receiving some encouraging signs. It is estimated that when the gross domestic product for this quarter is reported, it will be about 3 percent, the first time GDP since the second quarter of 2008. But positive GDP is not the answer for people who are looking for work unsuccessfully. They need the benefits of extended unemployment compensation.

This legislation is very straightforward. It ensures that out-of-work Americans can provide for their families, can stay in their homes, and can maintain a sense of dignity while they continue to search for employment in a very difficult market.

Not only is it simply the right thing to do because it demonstrates some degree of recognition of the extraordinarily difficult situation facing so many in this Nation, but unemployment compensation insurance helps to aid the economy. You don't have to be an economist to understand that getting money to people who will spend it quickly on basic necessities spurs demand and helps prevent further erosion of the economy. Yet my colleagues on the Republican side continue to ignore the urgency of the situation.

As stated, last week the distinguished majority leader had to file a cloture motion to proceed to the House-passed unemployment insurance extension. This is unprecedented.

Congress has acted eight times—in 1958, 1961, 1971, 1974, 1982, 1991, 2002, and 2008—to establish temporary programs that provided additional weeks of unemployment compensation benefits beyond regular unemployment compensation and any extended benefits.

Let's take a moment to look back at the recent unemployment insurance extensions under both Democratic and Republican administrations.

President George Herbert Walker Bush signed an unemployment insurance bill into law that passed the Sen-

ate with near unanimous support. Not once, but twice—in November 1991 and February 1992, when the unemployment rate was 7 percent and 7.4 percent, respectively. And we are at a much more serious moment in our economic history today than those years ago.

In July 1992, President Clinton signed an unemployment insurance bill into law that passed with unanimous support in the Senate. The unemployment rate was 7.7 percent.

In March and November 1993, President Clinton signed two more bills into law that passed with overwhelming bipartisan support. The unemployment rate was 7 percent and 6.6 percent, respectively.

In the 1980s, President Reagan signed an unemployment insurance bill into law that unanimously passed a majority Republican Senate. The unemployment rate was 8.8 percent. Months earlier, it was double digits.

These past votes, under Republican and Democratic Presidents and majorities of both parties in the Senate, demonstrate the nonpartisan nature of extending unemployment insurance when the economy is weak and unemployment is high. It is that simple.

In fact, further reinforcing this notion is that the national unemployment rate has now risen to 9.8 percent and may not stabilize until next summer—much higher than the preceding incidents in which, on a bipartisan basis, under Republican and Democratic Presidents, we moved expeditiously to extend unemployment benefits.

Nearly 2 million Americans will exhaust their benefits by the end of the year, but as I speak on the Senate floor, hundreds of thousands of Americans have already exhausted their benefits.

Mr. President, 3,800 Rhode Islanders will benefit immediately from a Federal extension, a majority of whom have already exhausted their benefits going back, in some cases, several months. Hundreds more in my State exhaust their benefits each passing week.

So why are the Republicans sidetracking this legislation? Let's take a look at the list of amendments.

We all, as Senators, have a right to propose amendments, but when they are proposed simply to delay and not to constructively advance an issue, we have to look very skeptically at the amendments. There is an amendment concerning ACORN on which we have already voted. This seems to be just an attempt to delay not an attempt to responsibly legislate.

It is my understanding that Majority Leader REID has made many offers to the other side of the aisle so that the Senate can proceed to the immediate consideration of this critical legislation. It is disappointing these offers have been rejected.

This bill is about stabilizing our economy. It is about helping Americans who, through no fault of their